

**STATE OF TEXAS**  
**DEPARTMENT OF INFORMATION RESOURCES**  
  
**CONTRACT FOR**  
**MANAGED SERVICES FOR INFORMATION TECHNOLOGY**  
  
**UNISYS CORPORATION**

**1. Introduction**

**A. Parties**

This Contract for services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15<sup>th</sup> Street, Suite 1300, Austin, Texas 78701, and Unisys Corporation (hereinafter “Vendor”), with its principal place of business at Township Line & Union Meeting Roads – A Unisys Way, Blue Bell, Pennsylvania 19424.

**B. Compliance with Procurement Laws**

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Texas Building and Procurement Commission’s Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-091, on December 8, 2006, for Managed Services for Information Technology. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-091 shall be posted by DIR on the Electronic State Business Daily.

**C. Order of Precedence**

This Contract; Appendix A, Standard Terms and Conditions For Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Services and Pricing Addendum; Appendix D, Sample Supplemental Agreement; Exhibit 1, Vendor’s Response to RFO DIR-SDD-TMP-091, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-091, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

**2. Term of Contract**

The term of this Contract shall be three (3) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend this Contract, upon mutual agreement, for up to two (2) optional one-year terms.

**3. Service Offerings**

Services available under this Contract are limited to those Services described in Appendix C, Services and Pricing Index. Per Seat Pricing listed in Appendix C, Services and Pricing Index, is based upon current Standard Configurations for computers promulgated by DIR. Vendor may price alternate configurations and Customers may order alternate configurations based upon their business needs, however, basic-level services for Asset Tracking, Break/Fix of Vendor owned Equipment and Unwind will be included in the per seat price.

**4. Pricing****A. Customer Price**

1) Pricing for services available under this Contract is detailed in Appendix C, Services and Pricing Index. Pricing included in Appendix C, Services and Pricing Index includes the DIR Administrative Fee. Pricing in Appendix C is not-to-exceed pricing for the standard configurations and associated optional services according to Vendor's sample Supplemental Agreement."

2) Customers purchasing services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) If pricing for services available under this Contract are provided at a lower price to: (i) an eligible Customer who is not purchasing those services under this Contract or (ii) any other entity or consortia authorized by Texas law to sell said services to eligible Customers, then the pricing in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

**B. DIR Administrative Fee**

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

**C. Tax-Exempt**

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

**D. Travel Expense Reimbursement**

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized by

the current State Travel Regulations. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

**E. Changes to Prices**

Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

**5. DIR Administrative Fee**

**A.** The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (0.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00.

**B.** All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

**6. Notification**

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Sherri Parks, Service Delivery Division  
Department of Information Resources  
300 W. 15<sup>th</sup> St., Suite 1300  
Austin, Texas 78701  
Phone: (512) 475-4700  
Facsimile: (512) 475-4759  
Email: sherri.parks@dir.state.tx.us

If sent to the Vendor:

Janine Huebner, Contract Manager  
Unisys Corporation  
4842 Yosemite Way  
Los Angeles, California 90041  
Phone: (323) 982-0550  
Facsimile: (512)531-0959  
Email: janine.huebner@unisys.com

**7. Sample Supplemental Agreement**

Services provided under this Contract shall be based upon the Sample Supplemental Agreement as set forth in Appendix D of this Contract. Customers may negotiate the terms and conditions of a Supplemental Agreement to suit their business needs so long as the Supplemental Agreement terms and conditions do not conflict with this Contract.

**8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.**

A. Appendix A, Section 6, Contract Administration, B. Reporting and Administrative Fees, 4) DIR Administrative Fee, a) is restated in its entirety as follows:

An administrative fee shall be paid by Vendor to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The administrative fee shall be specified in the Contract. Payment of the administrative fees shall be due on or by the last calendar day after the close of the previous month period. Example, the administrative fee payment for all February sales shall be due on or by March 31.

- B. Appendix A, Section 7, Vendor Responsibilities, A. Indemnification, 1) Acts or Omissions is hereby restated in its entirety as follows:

Vendor shall defend, indemnify and hold harmless the State of Texas and Customers, their officers, agents, and employees from and against all third-party claims, actions, suits demands, proceedings, costs, damages, and liabilities, including reasonable attorney's fees, for injury to persons (including death) or damage to tangible property (but not loss or damage to information or data) arising out of , or resulting from any negligent acts or omissions of the Vendor or its agents, employees, subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. Vendor agrees to coordinate defense with the Texas Office of Attorney General, as may be requested by DIR.

- C. Appendix A, Section 7, Vendor Responsibilities, A. Indemnification, 2) Infringements, is hereby restated in its entirety as follows:

a) Vendor shall defend, indemnify, and hold harmless the State of Texas and Customers, their officers, agents, and employees, from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the use of any Unisys product or service supplied under the Contract. Vendor agrees to defend against any and all third party claims at Vendor's expense, whether or not such claims become the subject of litigation provided the Customer: (i) notifies Vendor promptly in writing of such claim, (ii) grants Vendor sole control over the defense and settlement thereof, and (iii) reasonably cooperates in response to Vendor's requests for assistance. DIR will provide reasonable assistance in the defense of such claims if so requested by the Vendor. The Texas Office of Attorney General may, if requested by DIR, at its sole cost and expense, participate in the defense or settlement of any such claim provided always that Vendor shall have sole responsibility for the control of such defense or settlement.

b) Vendor shall have no liability if the alleged infringement is caused in whole or part by: (i) use of the Unisys product or service in combination with product or services not provided under the Contract, (ii) use of the Unisys product or service for a purpose or in a manner for which the Unisys product or service was not designed, (iii) any modification made to the Unisys product without Vendor's written approval, (iv) any modifications made to the Unisys product by the Vendor pursuant to Customer's specific instructions, (v) any intellectual property right owned by or

Vendor Contract No. \_\_\_\_\_

licensed to Customer, or (vi) any use of the Unisys product or service by Customer that is not in conformity with the terms of any applicable license agreement.

c) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the Unisys product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing, or (iii) if neither of the foregoing is available on commercially reasonable terms, refund the Customer the amount paid for the Unisys product or service which is the subject of such claim less an offset for use by Customer based upon a five (5)-year straight line depreciation basis.

- D. Appendix A, Section 7, Vendor Responsibilities, H. Security of Premises, Equipment, Data and Personnel, is hereby restated in its entirety as follows:

Vendor may, from time to time during the performance of the Contract, have access to the personnel, premises, equipment, and other property, including data, files and/or materials (collectively referred to as "Data") belonging to the Customer. Vendor shall use commercially reasonable efforts to preserve the safety, security, and integrity of the personnel, premises, equipment, Data and other property of DIR customer, in accordance with the instruction of DIR customer. Vendor shall be responsible for damage to customer's equipment, workplace and its contents (but not loss or damage to information or data) when such damage is directly caused by the negligent acts or omissions of its employees or subcontractors during the performance of this Contract.

- E. Appendix A, Section 7, Vendor Responsibilities, J. Limitation of Liability, is hereby restated in its entirety as follows:

For any claim or cause of action arising under or related to the Contract: (i) none of the parties shall be liable to the other for punitive, special, consequential damages, or indirect damages, to include without limitation, damages for loss of data, loss of use or loss of revenue, even if it is advised of the possibility of such damages; and (ii) Vendor's liability for damages of any kind to the Customer shall be limited to the total amount paid to Vendor under the Contract during the twelve months immediately preceding the accrual of the claim or cause of action.

This Contract is executed to be effective as of the date of last signature.

**Unisys Corporation**

**The State of Texas, acting by and through the  
Department of Information Resources**

**Authorized By: *signature on file***

**Authorized By: *signature on file***

**Name: Janine Huebner**

**Name: Cindy Reed**

**Title: Contracts Manager**

**Title: Interim Director of Service Delivery**

**Date: May 22, 2007**

**Date: 5/23/07**

**Legal: *signature on file* 5/23/07**